

# What Students and Recruiters Report Regarding Public Accounting Internships

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*Seventy students of one Midwest University responded to an anonymous survey after completing a full time internship with a CPA firm for college credit. Employers varied in size from Local to Big 4 CPA firms. In addition, seven CPA firm recruiters were interviewed regarding intern recruitment. Students believed GPA and personality were factors in obtaining an internship. Students expressed firm reputation and firm size as factors in accepting an internship offer. Recruiters stated that personality and fit with firm culture were desirable traits. Interns most often worked 55 hours per week and were paid \$22 per hour.*

*Keywords: accounting, internship, recruiter*

## INTRODUCTION

Students have had the opportunity to complete an internship for decades. This study explores the acquisition and completion of a public accounting internship utilizing feedback from both students and recruiters.

## LITERATURE REVIEW

McKnight & Watson (2017) note that students nearing graduation often face the quandary of getting a job without experience while being unable to get experience without the job. They also found that employers are concerned with finding employees that will not only be successful but enjoy their chosen career path. In addition they state that accounting employers may be pressed with short term issues like acquiring temporary help during peak busy seasons. Vien (2018) found internships to be tailor-made to solve the busy season staffing problem and noted that both the intern and the employer benefit. As a component of their educational experience many accounting students complete an internship (Pernsteiner, 2015). Internships provide students a bridge from college to workplace with the opportunity to experience their chosen career path (O'Reilly-Allen & Palaschak, 2018).

Both the academic and the business communities have long recognized the value of internships (Green, Graybeal & Madison, 2011). Paine (2017) found that internships expanded from vocational trades to service industries during the industrial revolution. Montague & Violette (2017) discuss an accounting internship as a time-honored tradition providing an opportunity to put coursework to the first real test. They note that internships provide real-life experience in working with professional superiors, colleagues, clients, and deadlines. Accounting institutions have been found to support internships as a learning experience (Myring, Bloom, & Shortridge, 2005). Internships are ideal supplements to accounting education (McKnight &

Watson, 2017). Internships have been touted as a way to enhance both the knowledge base of accounting students and their motivational level (Beard, 2007). Documented benefits of an internship include the development of interpersonal skills, improving post-internship academic performance, and post-graduation career opportunities (O'Reilly-Allen & Palaschak, 2018). Some college programs require an internship while others simply encourage completing an internship (Bullen, Capener, & Kordecki, 2015).

The potential benefits of taking an internship include increasing skills required for full-time employment and determining what area of accounting the intern should or should not choose to work in (Pernsteiner, 2015). In examining prior literature O'Reilly-Allen & Palaschak (2018) found that the most frequently cited advantages of an internship include the development of interpersonal skills, improving academic performance post-internship, and post-graduation career opportunities. Improved academic performance post-internship was confirmed by Myring, Bloom, & Shortridge (2005). Another benefit is a better understanding of the profession (Montague & Violette, 2017). Internship benefits to the employer include gaining familiarity with potential job applicants and their work skills, work ethic, and personality. In addition it affords the firm the opportunity to assign training opportunities to existing staff in a relatively low risk environment (Vien, 2018).

Internships have the potential for effective career exploration and for employment placement (Beard, 2007). Violette, Violette, & Hendrix (2013) found that early internships can solidify the choice of major and provide confidence in a student's field of pursuit while providing valuable experience and motivation. In addition, providing early internships benefit firms who enjoy a first look at the best recruits. They also found that competition for the best and brightest students can be intense. Internships provide an avenue for firms to sell themselves to potential future staff (Montague & Violette, 2017). Overall internships are recognized as a way to develop long-term relationships while providing a special learning focus (Bullen, Capener, & Kordecki, 2015). Internships are a winning proposition for the intern, the employer, and the college whether or not the result is full-time employment (O'Reilly-Allen & Palaschak, 2018). Internship programs have been established by all sizes of accounting firms (Violette, Violette, & Hendrix, 2013).

Accounting internships can take many different forms and administration of internships between college and employers vary greatly among U.S. colleges (Bullen, Capener, & Kordecki, 2015). O'Reilly-Allen & Palaschak (2018) state that the foundation for accounting internships is engaged learning, involving the application of course knowledge to real-world situations. To maximize student benefit they advise structuring an internship to include meaningful work, setting expectations, establishing protocols, providing adequate supervision, and giving timely feedback on work performance.

In designing an internship experience possible goals and objectives include:

1. to provide students with relevant and practical professional accounting experiences;
2. to enhance the student's understanding and application of accounting principles, concepts, and procedures;
3. to provide participating students with individual contacts in professional accounting positions within the business community;
4. to strengthen oral and written communication skills;
5. to strengthen interpersonal skills; and
6. to strengthen problem-solving skills.

(Beard, 2007, p. 212.)

Baker (2013) explored what computer skills are important for entry-level accounting positions. Recruiters were found to believe that skills with accounting software packages, databases, internet, email, spreadsheets, and word processing were important. Baker found that students who completed an internship believed that spreadsheet skills were most important and believed spreadsheet skills were more important than course grades.

Students interviewed after completing an internship stated they believed personality and communication skills were more important than technical aptitude. Factors such as team fit, positive

attitude, work ethic, flexibility, and a willingness to learn were mentioned (Montague & Violette, 2017). In interviewing both accounting firms and a large corporate employer in New Zealand, Low, Botes, Rue, & Allen (2016) found that employers emphasize how important non-technical skills are when seeking job candidates. Specifically firms look for interpersonal skills, communication skills, and a fit with firm culture. In addition, during the interview process New Zealand firms note a candidate's professionalism, life experience, personality, and an ability to effectively respond to interview questions. A sound understanding of technical skills was deemed necessary, but other desirable skills included listening, teamwork, oral communication, interpersonal skills, problem solving, and ambition or motivation (Low, Botes, Rue, & Allen, 2016).

## **RESEARCH DESIGN**

Students of one Midwest University were surveyed anonymously as they returned from their accounting internships. Data was collected from Spring semester of 2019 through Summer of 2020. Students were asked to provide information regarding the firm they interned with, wage, hours, and other questions associated with acquiring and completing their internship.

In addition to surveying students, seven Certified Public Accounting (CPA) firm recruiters were interviewed. Interviews were conducted by Zoom or in person. Interview questions included firm demographics, intern candidate traits and questions regarding hiring considerations.

## **RESULTS**

Interns completing the survey and self-reporting having completed a full-time internship with a CPA firm totaled 70. An additional six students completed the survey but did not intern with a CPA firm, their responses are excluded from the following data. Students interned with CPA firms described as Local through Big 4. Regarding wages the Mean wage reported was \$22.23, the Mode \$22.00, High \$26.00, and Low \$14.00. Regarding hours worked the Mean hours reported was 53.11, the Mode 55, High 65, and Low 40. Intern responses regarding both the wage and hours worked were confirmed by CPA recruiter interviews. Recruiters pointed out that students started with a 40 hour per week training period and then hours increased as the busy season picked up. Recruiters generally stated that interns could work as many hours as they were comfortable with, but one intern reported that working Saturdays was mandatory at the firm where they interned.

Students surveyed reported the following regarding number of internship college credits taken: 3-5 credits 20% (fourteen students), 6 credits 40% (28 students), 9-10 credits 14% (ten students), and 12 credits 26% (18 students). Students at this university can take up to 12 internship credits. Up to 12 internship credits are allowed by this state's Board of Accountancy towards the 150 credit requirement for CPA licensure. Students are advised that other states may only accept 6 credits of internship towards the 150 hour rule and should take this into consideration in the event they may seek licensure in a different state. In addition, students may take more than one internship while completing their degree. Some recruiters encouraged students to take multiple internships in order to confirm the area of accounting students may want to pursue for full time employment. Other recruiters stated that at their firm interns would work in multiple departments and based on that exposure students could determine what area they preferred.

Students were asked what factors they believed were considered in being selected for an internship. The survey question included 14 answer options including Other, and students could select all that they believed applied. The factors selected the most by students included grade point average (GPA) (74%), Personality (73%), Networking (64%), Firm Summer Experience (37%), and Accounting Club (31%). The factors reported most often by CPA recruiters included Personality (57%) and perceived Fit with Firm Culture (57%).

Students were also asked what factors were considered in accepting an offer with a CPA firm. The survey question included 12 answer options including Other, and students could select all that they believed applied. The factors selected the most by students included Firm Reputation (34%), Firm Size (26%),

Likelihood of Post-graduation Employment (11%), and Location to Home Town (10%). When asked why students should accept an internship with their firm CPA recruiters mentioned firm culture, client mix, and opportunities to advance within the firm.

When students were asked about the worst part of their internship they provided answers referring to Work Hours (20%), Nothing (9%), Coworkers (4%), and That it Was Over (3%).

When students were asked about the best part of their internship they provided answers referring to People (coworkers/working with professionals/clients) (37%) and the Learning Experience/Opportunity (34%).

Students were asked if they were given more responsibility than they anticipated during their internship, 46 students (66%) said yes. CPA recruiters stated that they expect to treat interns the same as incoming full time hires.

Students were asked if they had received a full time job offer. Responses included Definitely Yes (54%), Probably Yes (13%), May or May Not (23%), Probably Not (7%), and Definitely No (3%).

Regarding other issues, 69 of 70 students said they were assigned a mentor, four students (6%) said training was not adequate, one student (1%) said supervision was not adequate, only five (7%) students said that firms helped with finding housing for the internship but only three (4%) said it was difficult to find housing, 17 (24%) said it was difficult to return to campus after their internship, 27 (39%) said they were able to return to their previous college job but 25 (36%) said they did not previously have a college job.

## DISCUSSION

As reported students stated the best parts of the internship experience were the people they worked with and the experience of working in their chosen field. The vast majority reported that they were assigned a mentor, and both training and supervision were considered to be good. Several commented that during their internship they could go directly to a firm partner with questions or project difficulties.

When Paine (2017) interviewed interns from a private business college issues of unknown expectations, feeling of ineffectiveness, and long hours were raised. The current study found 66% of interns stated they were given more responsibility than they anticipated and 3% said they really didn't know what to expect. Individual student comments included feeling trusted, having independence, being treated like any of the firm associates, and an increased level of work experience by the end of the internship. Increased level of work included running meetings, completing compilations and reviews on their own, working on tax returns prepared in the previous year by a staff accountant in their second year of full employment, and being given high difficulty tax returns. These statements concur with recruiters reporting that interns are treated as associates.

Interns are also well compensated compared to a first year full time hire. In addition, most interns are able to work beyond a 40 hour work week and be compensated for it. The Mode hourly rate reported by interns was \$22.00 per hour, which annualized is \$45,760. Recruiters reported that newly hired full time associates were paid in the \$50,000 to \$57,000 range. Approximately half of the students reported that firms paid a bonus when new hires completed the CPA exam.

As Paine (2017) discovered, the current study also found that the hours worked during an internship can be a deterrent with 20% of the students surveyed listing it as the worst part of the internship. When Hart, Kremin, & Pasewark (2017) interviewed interns of a Master's of Science program they found that heavy workloads were a contributing factor to a reduction in commitment to the accounting profession and interns shortened their expected timeline of working in public accounting. At the same time they found an increased commitment due to the interesting and challenging work, as well as a positive experience with firm coworkers. This study also found interns commenting on interesting and challenging work and the vast majority had a positive experience with firm coworkers as well as clients.

Interns believed they were chosen based on their GPA and personality. When asked about the lowest GPAs that had been accepted, recruiters stated that GPAs of 2.80-3.00 were on the low end. They also stated that they would want an explanation from the student regarding the factors contributing to a lower

GPA. Factors like work, life events, or campus obligations were mentioned as having a potential impact and that students should be ready to discuss such factors if they have accumulated a lower GPA.

Predominant factors in students accepting an offer from a CPA firm included firm reputation (31%) and firm size (26%). These percentages are aggregate responses across all surveys collected. Examining responses by firm description students reported the following regarding selecting a firm due to reputation: Big 4 33% (4 of 12), International 38% (5 of 13), Regional 35% (9 of 26), and Local 22% (4 of 18). Examining responses by firm description students reported the following regarding selecting a firm due to firm size: Big 4 8% (1 of 12), International 15% (2 of 13), Regional 23% (6 of 26), and Local 44% (8 of 18). Only one student defined the internship firm as National. This student did not list firm reputation but did list firm size as a reason for selecting that firm for an internship. The survey design did not pursue the reasoning behind students mentioning reputation or firm size in accepting an offer, selection factors involved are left for future study.

More than half of the students surveyed stated they definitely had received a job offer (54%) and another 13% said they probably would receive an offer. Students unsure (may or may not) tallied 23%. Recruiters reported a mix of wanting to extend a job offer by the end of the internship or wanting to review candidates with firm members after the busy season was completed. The stated goal of recruiting interns was to find new hires, not merely to fill an internship slot. In any event, only 10% of students did not expect a job offer. Recruiters stated that interns can perform stronger or weaker comparatively and sometimes there are not enough full time positions available to offer positions to all interns. Recruiters also mentioned that some interns are not offered a position because the student has three or four semesters remaining to finish their degree or reach 150 credit hours. Recruiters planned to maintain communication with students in this category.

Close to a quarter of students reported it being difficult to return to college life after an internship. Several students commented on the transition from being a working adult with high level tasks to being back in a class environment with student peers. Individual comments included it being easier to be back on campus knowing what their degree would lead to, that they were more motivated after the internship experience, and that knowing a job was waiting for them after graduation made the transition easier. Motivation was mentioned as a post-internship factor by Beard (2007), Violette, Violette, & Hendrix (2013), and Low, Botes, Rue, & Allen (2016).

## **LIMITATIONS**

Students of one Midwest University completing an internship were surveyed. Those students attended a university geographically located within an hour of a major city. The major city is ranked as one of the 20 largest metropolitan areas in the United States. Results may not be generalizable to all university students in all geographic locations. Recruiters confirmed that internship wages varied based on the location of the firm's office and local cost of living.

The first year of survey data involved the major tax revisions affecting 2019 tax returns. Some students mentioned that help during their internship was complicated by the magnitude of the tax changes and that nobody was an expert yet. The second year of survey data included the onset of the Covid-19 pandemic. Some internships were cut short and many interns switched to working from home. The impact of these factors may have an effect on the generalizability of study results.

Recruiters from seven CPA firms were interviewed. Their situations and views may be unique to the size and location of their CPA firm. Results and views expressed during interviews may not be generalizable to a broader population of CPA firms.

## **SUMMARY**

Seventy students of one Midwest University responded to a survey after completing a full time internship with a CPA firm. Interns most often were paid \$22 per hour and most often reported working 55 hours per week. Internships were completed for six college credits 40% of the time. At this university three

credits can be used as a degree elective and up to nine additional credits can be used towards the 150 credit hour requirement for CPA licensure in this State.

Students believed they were selected for an internship based on GPA and personality. Recruiters interviewed mentioned personality and fit with firm culture. Students stated that firm reputation and firm size were contributing factors in accepting an internship offer. Firm reputation was raised by students' more than 30 percent of the time when interning at a Big 4, International, or Regional firm. Firm size was raised by 44% of students when interning at a Local firm. Recruiters mentioned firm culture, client mix, and opportunities to advance as reasons students should select their firm. Over half of interns stated they had received a full time job offer and an additional 13% expected to receive an offer.

Interns stated that the best part of their internship included people, including coworkers and clients, and the learning experience. Interns most often mentioned work hours regarding the worst part of the internship.

## CONCLUSION

Based on student responses accounting internships continue to benefit both students and employers. Students benefit from the opportunity to prove themselves to a potential employer by making contributions during an internship. Students also benefit financially and from gaining in-field work experience. In addition an internship may help guide a student to the accounting specialty (e.g. tax, audit) that the student should pursue when beginning their career. Personality and perceived fit with the culture of a firm may be more important than an earned GPA in obtaining an internship, but firms value students that are probable to pursue and pass the CPA exam. Intern recruiters are seeking to fulfill both short-term (i.e. busy season) and long term firm employment needs. In other words, recruiters are looking for interns that will become full time employees upon graduation.

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